

Summary of Meeting
BDAC Water Transfers Work Group
August 7, 1997
First Meeting

Key Points

- A process/framework for water transfers needs to be structured to include and address third party impacts, including local communities, local environments, and local groundwater resources.
- Cumulative effects of both short- and long-term transfers need to be considered.
- An attempt should be made by CALFED to quantify the magnitude of water anticipated by CALFED and others to be obtained through water transfers. The magnitude desired can affect the need to address some of the issues being discussed by the work group.
- Water transfers should not be viewed as a sole solution for improving water supply reliability, but rather should be viewed as being part of a balanced part of the overall CALFED solution.

Discussion Overview

- Jerry Johns of the State Water Resources Control Board gave an overview of transfer issues and SWRCB jurisdiction and approval process. He noted that a significant number of water transfers occur each year that do not require SWRCB approval. To date, the SWRCB has only approved about 40 transfers since the early 1990's. Transfers involving pre-1914 water rights escape scrutiny because they do not require SWRCB approval. The State and federal water projects could review these transfers as a condition for the use of project conveyance facilities.
- BDAC members and invited participants presented their opinion of key issues that needed resolution in order for transfers to be a workable part of a CALFED solution. In general, most felt that the draft water transfers discussion paper was very good and captured most of the important issues that need to be resolved.
- Issues articulated by work group participants included:
 - Need to address the uncertainty of accessibility to major conveyance facilities to allow physical transfer of water. Need to create rules that fairly provide access to facilities.
 - Need to address carriage water and wheeling issues, including rates charged by other agencies to wheel water and the consistency in carriage water requirements.
 - Further improve process to expedite SWRCB and other agency approval.
 - Cumulative effects to agriculture need to be considered within the context of all other programs also seeking water supplies (primarily from agriculture).
 - Need to document any impacts to groundwater resources to allow better understanding and acceptance by "third parties".
 - Need to provide rules regarding water transfer decisions at local level. Who has ownership? Who receives monetary compensation? Who can promote transfers?
 - Need protection for area-of-origin users and for local groundwater resources.

- Local governments and other potential impacted third parties should be included in transfer review and approval processes.
- Need protection for local communities and local environments.
- Water transfers are not a two-party transaction. Transfer negotiations, evaluation and approval needs to include all parties; buyer, seller, and "third parties".
- Transfers need to include potential for growth in north state areas and possible need to "call back" water at the end of a transfer agreement. Concerns that politics will interfere with legal ability to retain original water rights need to be offset.
- Water transfer evaluations need to seriously consider the interplay between surface and groundwater resources.
- Need to address Bureau and DWR roles with regard to apparent conflict of interest in many water transfers. Agencies have the role of protecting a state resource, but also have contract obligations that might conflict with appropriate use of those resources.
- Several participants felt that the existing water transfer regulations work well, especially for short-term transfers. Emphasis should be focused on identifying areas that do not work well and improve them, rather than considering rewriting laws and regulations. In addition, since there is not much precedent for long-term transfers, the group needs to consider carefully potential long-term impacts associated with future long-term transfers.
- Participants mentioned the idea of prioritizing water transfers. The higher the priority, based on some pre-set criteria, the more likely approval, or access to facilities, could be.
- Several participants recommended the establishment of a central clearinghouse for transfers that would track who is buying and selling, how much is being transferred, and the associated impacts of each. This could make review of additional transfers easier since it would provide the appropriate context from which to view additional impacts. A clearinghouse could be especially useful in identifying cumulative impacts.
- Some participants feel that potential cumulative impacts of water transfers need to be addressed by CALFED in the Programmatic EIR/EIS. These impacts are directly related to some interests' opinion of a preferred alternative and need for assurances. For instance, if north state cumulative impacts are significant for a particular CALFED alternative having greater transfer capacity, then an assurance against such impacts may be to limit the size of conveyance facilities (i.e., pick a different alternative).
- Participants said they see water transfers as the best available tool to make more water available to the environment for instream flows and other purposes. Transfers are a more desired method by most interests over use of regulatory/legislative requirements.
- South-state urban interests stated that current negotiations on re-allocation of Colorado River water may result in lower supplies for California. This, in turn, will place greater demand on Delta sources which may be obtained through water transfers.
- Concern was expressed that urban business interests were not well represented. Some in the business community, it was suggested, view this process as impeding the consideration of SB 15, which the business community strongly supports and helped develop as the *Model Water Transfers Act*. CALFED and BDAC will continue to work to ensure the urban business community actively participates in this process.
- Concern was expressed that north-state environmental interests are not represented in the present make-up of the work group. These interest are concerned that water transfers could adversely impact important north-state ecosystems.

- Impacts to power interests resulting from water transfers should also be taken into consideration, it was suggested. This could be done through monetary payment for lost power generation capability.
- A question was raised as to how water banking, described as a two-tiered water movement (water into bank, then water out of bank), relates to one-way water transfers rules and issues.
- Questions were raised regarding the process that this work group will take to develop policy level options for addressing issues. What is the priority of dealing with issues? Suggestions were made to use case-studies or to break into smaller sub-groups (based on issues, not geographic location) to develop policy level options for resolution of specific issues. The timeframe is very short, so meetings need to be very structured and efficient. If case-studies are used, it was suggested that transfer proposals that were not successful should also be included.
- A suggestion was made to concentrate the work group effort on long-term transfers that change purpose and place of use, including those transfers that do not currently have to obtain SWRCB approval. The short-term transfer process seems to work adequately so we should not spend time refining it in this work group.
- A suggestion was made to look at developing a very broad CEQA process that would ensure that all issues are adequately addressed by every transfer proposal. This would be an umbrella type approach that would account for cumulative impacts.
- With regard to wording used in Section D of the water transfer discussion paper, it was suggested that the words such as "whenever possible" and "adequately mitigated" leave too much room for interpretation. Wording should be changed to reflect more absolute desires to avoid impacts and mitigate impacts when not avoidable.
- Concern was expressed by some regarding how CALFED is addressing transfers in physical and economic modeling. Lester commented that regardless of modeling results, even if the models were imprecise, issues such as third party impacts and facility access need to be resolved.

The next meeting of the BDAC Water Transfer Work Group will be scheduled for September 17, 1997 (time and location to be determined).